

**MASSACHUSETTS BAY TRANSPORTATION AUTHORITY  
DEFERRED COMPENSATION PLAN**

**Amendment Number One**

**WHEREAS** Massachusetts Bay Transportation Authority (the "Authority") established the Massachusetts Bay Transportation Authority Deferred Compensation Plan (the "Plan") effective January 1, 2001 for the benefit of eligible Employees; and

**WHEREAS** the Authority desires to amend the Plan to make certain changes requested by the Internal Revenue Service in its review of the determination letter application;

**NOW THEREFORE**, in consideration of the foregoing, the Plan is hereby amended effective as set forth herein.

1. Section 1.7 is hereby amended to add the following phrase at the end thereof:

“, and (4) effective January 1, 2001, any amounts deferred under Section 132(f)(4) of the Internal Revenue Code.”

2. Article VI is hereby amended by the addition of a new Section 6.3 as follows:

**“6.3 DIRECT ROLLOVER OF ELIGIBLE ROLLOVER DISTRIBUTIONS**

Notwithstanding any provision of the Plan to the contrary, if any distribution to a Distributee (as defined in paragraph (a) below) (i) totals \$200 or more and (ii) constitutes an Eligible Rollover Distribution (as defined in paragraph (b) below, the Distributee may elect on a form provided by the Authority to have all or part of such Eligible Rollover Distribution paid in a direct rollover to an Eligible Retirement Plan selected by the Distributee. For this purpose, a Distributee, an Eligible Rollover Distribution, and an Eligible Retirement Plan shall be defined as follows:

- (a) Distributee includes an active or inactive Member. In addition, the Member's or/and the Member's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are Distributees with regard to the interest of the spouse or former spouse.
- (b) Eligible Rollover Distribution means any distribution of all or any portion of the balance to the credit of a Distributee, except that an Eligible Rollover Distribution does not include any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made

for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; effective January 1, 1999, any hardship distribution as defined in Section 401(k)(2)(B)(i)(IV) of the Code; and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

Effective for distributions after December 31, 2001, an Eligible Rollover Distribution does not include any hardship distribution, and a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code which agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(c) Eligible Retirement Plan means a plan described below:

- (i) an individual retirement account described in Section 408(a) of the Code;
- (ii) an individual retirement annuity (other than an endowment contract) described in Section 408(b) of the Code;
- (iii) with respect to Members and Distributees who are alternate payees only, a qualified defined contribution plan and exempt trust described in Sections 401(a) and 501(a) of the Code respectively, the terms of which permit the acceptance of rollover contributions;
- (iv) with respect to Members and Distributees who are alternate payees only, an annuity plan described in Section 403(a) of the Code;
- (v) an annuity contract described in Section 403(b) of the Code; or
- (vi) an eligible plan under Section 457(b) of the Code which is maintained by an eligible employer described in Section 457(e)(1)(A) of the Code.

The definition of Eligible Retirement Plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the Alternate Payee under a qualified domestic relations order, as defined in Code Section 414(p).

If an election is made to have only a part of an Eligible Rollover Distribution paid in a direct rollover, the amount of the direct rollover must total \$500 or more.

Direct rollovers shall be accomplished in accordance with procedures established by the Benefits Committee."

3. Effective January 1, 2001, the Plan is amended to incorporate the provisions of Appendix A and Appendix B as attached hereto.

IN WITNESS WHEREOF, the Authority has caused this amendment to be executed by its duly authorized representative on this 30<sup>th</sup> day of June, 2003.

**MASSACHUSETTS BAY TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_

Jonathan R. Davis

Deputy General Manager and  
Chief Financial Officer

APPROVED AS TO FORM

  
William A. Mitchell

General Counsel 

## **APPENDIX A**

### **Pension Agreement Massachusetts Bay Transportation Authority and Local Division 589 Amalgamated Transit Union AFL – CIO, CLC**

The following terms and provisions as set forth in the Massachusetts Bay Transportation Authority Retirement Fund for the above stated Pension Agreement are hereby incorporated and made a part of the Plan and any subsequent amendment revising such terms and provisions shall be deemed to be incorporated and made a part of this Plan.

1. "Average Compensation" means the monthly average of the highest three (3) years of Compensation prior to retirement, termination, death, or transfer to another bargaining unit.
2. "Compensation" shall mean the full regular remuneration paid to an employee for services rendered to the Authority, excluding overtime pay (i.e. pay which is other than the pay for the normal and customary work in the employee's workday or workweek) for work performed after December 7, 1980, and excluding the Authority's cost for any public or private employee benefit plan including this Fund, under rules uniformly applicable to all employees similarly situated. Compensation shall include contributions made on behalf of a Member by the Authority pursuant to salary reduction agreements under Section 414(h)(2), Section 125, Section 457(b), or effective January 1, 2001, Section 132(f)(4) of the Internal Revenue Code.

In no event shall a Member's Compensation taken into account under the Plan for any fiscal year of the Fund exceed the amount as the Secretary of the Treasury may determine for such calendar year in accordance with Section 401(a)(17) of the Code. Any change in the dollar amount set forth above as adjusted by the Secretary of the Treasury in accordance with Section 401(a)(17) of the Code shall apply only to compensation taken into account for calendar years beginning with the calendar year in which such change is effective.

3. "Creditable Service"
  - (a) Creditable service shall consist of the sum of any membership service and any prior service.
  - (b) Membership service shall include all service rendered by an employee prior to his normal retirement date since he became a member, or since he last became a member in the event of a break in membership, for which contributions are made by the member and by the Authority or a union in accordance with Article II, section (4).
  - (c) Prior service creditable hereunder shall be computed from the date of first employment as shown by Authority records to the effective date of the Fund, for each employee

who becomes a member within six (6) months after the effective date of the Fund or after the authorization for participation of his group, but not after July 2, 1949, and who continues as a member to retirement.

- (d) Notwithstanding the provisions of section (3) of this Article III, any person who was an employee on the effective date of the Fund and who, prior to July 1, 1951, duly became a member of the Fund entitled to prior service credit and who continues as a member to retirement shall continue to be entitled to such prior service credit.
- (e) A member whose creditable service is interrupted by reason of resignation or dismissal after January 1, 1948, shall be offered an opportunity promptly upon the completion of three years of creditable service after he has been rehired to repay to the Fund all amounts he has withdrawn from the Fund, together with an amount equal to their reasonable earnings (the average earnings of the Fund during the period of the aforementioned withdrawal). Upon the repayment of such withdrawn funds, the member shall be entitled to credit for the sum of both periods of service as though they had been a single period of creditable service. All members eligible to exercise this right shall be advised by the Authority of that fact at least 60 days in advance of the date on which they first become eligible to make such repayment. The member shall, upon such notification, have a period of six months within which to exercise the right to make such repayment.
- (f) If, during any period of service, the member is classified as a part-time employee, he shall accrue creditable service as follows:
  - (i) For the purposes of determining the amount of retirement benefit only, creditable service shall accrue at the rate of one month of creditable service, or fraction thereof, for each 173 pay hours received (not to exceed 12 months of creditable service for any calendar year). For the purposes of this paragraph, "pay hours" shall mean hours for which Compensation is credited under this Plan.
  - (ii) For all other purposes, creditable service shall accrue for part-time employees in the same manner as for full-time employees.
- (g) Time spent in service in the Armed Forces or the Merchant Marine of the United States or its allies during a period of national emergency, or on account of compulsory military service shall not be considered as a break in creditable service if:
  - (i) the employee was a member of the Massachusetts Bay Transportation Authority Retirement Fund at the time when such leave of absence commenced;
  - (ii) the employee has returned or returns to service of the Authority after his honorable discharge within the period prescribed by law or within ninety (90) days after such discharge, if there is no period prescribed by law; and
  - (iii) the employee did not voluntarily re-enlist or consent to active military service after the completion of the time he was required to remain in military service.

Provided, however, that any absence from service of the Authority on the foregoing grounds exceeding four (4) years shall be deducted in computing the pension credit to be granted for such military service.

- (h) Unused sick leave accumulated at the time of a member's retirement shall be included in creditable service for the purpose of computing the amount of his retirement allowance, but not to establish eligibility for retirement.
- (i) Absence from work time due solely to inability of a member to work by reason of a compensable industrial accident shall not be considered as a break in creditable service, if retirement occurs subsequent to May 16, 1975.
- (j) Membership service prior to November 23, 1983
  - (i) Any current part-time employee, or full-time employee with service performed prior to November 23, 1983 as a part-time employee, may elect to receive all or any part (in whole weeks of service) of creditable service that could have been earned had the member joined the Plan 90 working days after hire.
  - (ii) Each employee who so elects to receive such past, creditable service shall pay to the Retirement Fund, no sooner than 150 days, but no more than 180 days of the date of this Agreement, the amount of member contributions they would have paid for the period of past service elected.
  - (iii) Within 30 days of the close of the 180-day period referred to above, or, if later, 30 days after notification by the Retirement Board of the names and amounts of member contributions paid under (9) (b) above, the Authority shall pay to the Retirement Fund 3.2675% (the difference between the Authority's regular contribution rate of 12.1875% and the 8.92% paid under (9) (d) below) of Compensation for which retroactive credit has been elected.
  - (iv) Within 90 days of November 23, 1983 shall pay to the Retirement Fund 8.92% (the difference between the total contribution to the plan of 20.25% and the normal cost rate of 11.33%) of total part-time Compensation, which is subject to election as provided in paragraph (9) (a) above, that would have been covered under this Plan from January 16, 1982, to November 23, 1983, had the terms of the Plan as amended by this Agreement been applied at that time.
  - (v) The Union shall withdraw, forthwith, the pending grievance respecting the application of the basic labor agreement to part-time employees during 1982. Such withdrawal shall not establish any precedent or be cited by either party, with respect to any pending or future dispute concerning the rights or obligations of the Parties after January 1, 1981. The Parties shall also enter into the Stipulation of Dismissal in Case No. 55915.



#### 4. "Disability Retirement Allowance"

- (a) Any member in service who has not reached his normal retirement date and who, on or after July 1, 1970, files application for retirement, shall be retired by the Retirement Board on a disability retirement allowance as of the first day of the calendar month next following receipt by the Retirement Board of written application therefor made by the member or by the Authority; provided that a physician or physicians designated by the Retirement Board shall certify, and the Retirement Board shall find, that such member is incapacitated, mentally or physically, to perform the work of his job classification or any other job classification(s) in which a job is available with the Authority and has been offered to such member by the Authority, and that such member should be retired; and provided further that such member has completed four (4) years of creditable service in case of disablement due to an occupational accident or sickness, and has completed six (6) years of creditable service in case of disablement due to any other cause.

The surviving spouse of a member whose death results solely from an injury or injuries sustained in the performance of duty, including, but not limited to, injuries resulting from assault and/or battery, shall upon such death be entitled to an allowance to which the member would have been entitled if at the time of such death the member had become totally incapacitated, mentally or physically, for the further performance of duty and that such incapacity was likely to be permanent. If there should be insufficient creditable service involved, then the surviving spouse shall receive the minimum allowance available under the disability retirement provision.

No employee shall be entitled to receive a disability allowance if the disability results from:

- (A) Habitual and excessive use of intoxicants, drugs, narcotics;
- (B) Injuries or diseases sustained while under the influence of intoxicants, drugs or narcotics habitually used to excess;
- (C) Injuries or diseases sustained while willfully and illegally participating in fights, riots, civil insurrections or committing a crime;
- (D) Injuries or diseases sustained while serving in the Armed Forces or the Merchant Marine of the United States or her allies;
- (E) Injuries or diseases incurred while working for another employer and arising out of such other employment while also employed by the Authority;
- (F) Injuries or diseases sustained while riding in aircraft, except as a farepaying passenger on regularly licensed and scheduled airlines;
- (G) Injuries or diseases sustained while the employee is on leave of absence for any reason other than -

- (i) holding office in the Union or its International Office or in any other union or its International Office; or
  - (ii) sickness or accident; provided, however, that an employee while on leave of absence for the reasons listed under (i) and (ii) shall not be eligible to receive benefits if the injuries or diseases so sustained fall within subparagraphs (A) to (F) above.
- (b) The disability retirement allowance shall become effective immediately upon retirement as provided in the foregoing Section (2) (a) of Article IV and shall be computed as a normal retirement allowance on the basis of the Compensation and creditable service to the time of the disability retirement, with a minimum of 15% of the member's average compensation in those three (3) years in which the employee had maximum compensation.
- (c) Once each year the Retirement Board may require any retired member receiving a disability retirement allowance who has not reached his normal retirement allowance who has not reached his normal retirement date to undergo a medical examination by a physician or physicians designated by the Retirement Board, such examination to be made at the place of residence of such retired member or other place mutually agreed upon. Should any such retired member refuse to submit to such medical examination, his disability retirement allowance shall be discontinued by the Retirement Board until his withdrawal of such refusal, and should his refusal continue for a year, all his rights in and to such disability retirement allowance shall cease. If it appears from such medical examination that the disability of a retired member who has not reached his normal retirement date has been removed or if the Retirement Board shall find that he has regained his earning capacity, his disability retirement allowance shall be discontinued by the Retirement Board, or if such disability has been partly removed and his earning capacity partly regained, such disability retirement allowance shall be reduced proportionately by the Retirement Board. No discontinuance or reduction shall be made unless the Authority shall offer to restore the retired member with accumulated seniority to his former position or, in the case of partial recovery, to a suitable other position the duties of which he may be able to perform. If a disability retirement allowance is discontinued or reduced and if the retired member again loses his earning capacity because of the same disability, he shall be entitled to apply to the Retirement Board to have his original disability retirement allowance restored, and the Retirement Board may restore all or part thereof on the basis of a medical examination by a physician or physicians designated by the Retirement Board. Any retired member whose allowance has been discontinued and who has not accepted restoration to service may withdraw from the Fund and receive the amount of his contributions, with interest as defined in Article IV, section (3)(d), less the sum of all retirement allowance payments previously made to him and no further payments to him or on his account shall be made.



5. "Normal Retirement Allowance"

- (a) Any member in service who reaches his/her normal retirement date shall be retired by the Retirement Board on a normal retirement allowance to become effective on his/her normal retirement date. However, no member will be involuntarily retired by the Retirement Board solely because of the age of the member.
- (b) The normal retirement allowance shall consist of:
  - (i) A membership service allowance equal to 2.36 percent of average compensation in those three (3) years in which the employee had maximum compensation, multiplied by the number of years of membership service since January 1, 1948, provided however, that such allowance shall not exceed seventy-three (73%) of such average compensation, and
  - (ii) If the member has prior service credit, a prior service allowance equal each year to \$70.00 multiplied by the number of years of the member's prior service if his compensation on the effective date of the Fund was on an hourly or weekly basis; otherwise such payments shall be equal each year to 1 1/3 per cent of his compensation at the annual rate on January 1, 1948, multiplied by the number of years of his prior service.

Provided, however, that for normal retirements after June 30, 1970, the minimum normal retirement allowance for any employee who has completed at least ten (10) years of creditable service shall be one hundred dollars (\$100.) per month, and for any employee who has completed at least fifteen (15) years of creditable service shall be one hundred and fifty dollars (\$150.) per month. If, during any of the years used in the computation of the highest three (3) years of Compensation, the member was a part-time employee, Compensation for that year, for the purposes of this section, shall be actual Compensation multiplied by the ratio, not less than 1.0, of 173 hours times the number of months worked in the year in question, divided by actual pay hours received during that year. The term "pay hours" as used in this paragraph shall have the same meaning as in Article III, paragraph (6) above.

- (c) Any employee in service who has not reached his normal retirement date, but who has completed at least twenty-three (23) years of creditable service may be retired by the Retirement Board on an early normal retirement allowance on the first day of the calendar month coincident with or next following such date.

The early normal retirement allowance for any employee retiring on or after July 1, 1970, shall be computed in the same manner as a normal retirement allowance, but on the basis of his compensation and creditable service only to the time of actual retirement.

- (d) An employee who has completed twenty (20) years but less than twenty-three (23) years of creditable service and who has attained age 55 may be retired and upon

retirement shall receive an early retirement allowance computed in the same manner as a normal retirement allowance but on the basis of his compensation and creditable service only to the time of actual retirement, reduced by one-half percent for each month of retirement before age 65.

6. "Service" shall mean all service rendered to and paid for by the Authority or its predecessors.

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## **APPENDIX B**

### **Massachusetts Bay Transportation Authority Police Association Retirement Plan**

The following terms and provisions as set forth in the Massachusetts Bay Transportation Authority Police Association Retirement Plan (Police Plan) are hereby incorporated and made a part of the Plan and any subsequent amendment to the Police Plan revising such terms and provisions shall be deemed to be incorporated and made a part of this Plan.

1. "Average Compensation" means the monthly average of three (3) years of Compensation prior to retirement, termination, death or transfer to another bargaining unit.
2. Compensation shall mean the following parts of actual compensation received in any month:
  - (i) base pay,
  - (ii) longevity,
  - (iii) education allowance,
  - (iv) night shift differential,
  - (v) holiday pay, and
  - (vi) firing range stipend
- (b) Compensation shall exclude the Authority's cost for any public or private employee benefit plan, including this Plan, under rules uniformly applicable to all employees similarly situated. From within the pay categories described in paragraph (a) above, Compensation shall include amounts deducted from compensation
  - (i) as pre-tax contributions under IRC Section 414(h)(2) made to a qualified retirement plan sponsored by the Authority, and
  - (ii) as pre-tax contributions made to a retirement plan under IRC Section 457,
  - (iii) under IRC Section 125, and
  - (iv) effective January 1, 2001, under IRS Section 132(f)(4)

In no event shall a Member's Compensation taken into account under the Plan for any calendar year exceed such amount as the Secretary of the Treasury may determine for such calendar year in accordance with Section 401 (a)(17) of the Code. Any change in the maximum compensation limit described above shall apply only to Compensation taken into account beginning with the calendar year in which such changed limit is effective.

### 3. "Creditable Service"

- (a) Creditable service shall consist of the sum of any membership service and any prior service.
- (b) Membership service shall include all service rendered by an employee prior to his/her normal retirement date since he/she became a member, or since he/she last became a member in the event of a break in membership, for which contributions are made by the member and by the Authority or a union in accordance with Article II, Section (4).
- (c) Prior service creditable hereunder shall be computed from the date of first employment as shown by Authority records to the Effective Date of the Plan, for each employee who becomes a member on the Effective Date.
- (d) A member whose creditable service is interrupted by reason of resignation or dismissal after the Effective Date shall be offered an opportunity promptly upon the completion of three years of creditable service after he/she has been rehired to repay to the Plan all amounts he/she has withdrawn from the Plan, together with an amount equal to their reasonable earnings (the average earnings of the Plan during the period of the aforementioned withdrawal). Upon the repayment of such withdrawn funds, the member shall be entitled to credit for the sum of both periods of service as though they had been a single period of creditable service. All members eligible to exercise this right shall be advised by the Authority of that fact at least 60 days in advance of the date on which they first become eligible to make such repayment. The member shall, upon notification, have a period of six months within which to exercise the right to make such repayment.
- (e) Time spent in service in the Armed Forces or the Merchant Marine of the United States or its allies shall be considered creditable service if:
  - (i) the employee was a member of the Massachusetts Bay Transportation Authority Police Association Retirement Plan at the time when such leave of absence commenced;
  - (ii) the employee has returned or returns to service of the Authority after his/her honorable discharge within the period prescribed by law or within ninety (90) days after such discharge, if there is no period prescribed by law; and
  - (iii) the employee did not voluntarily reenlist or consent to active military service after the completion of the time he/she was required to remain in military service.

Provided, however, that any absence from service of the Authority on the foregoing grounds exceeding four (4) years shall be deducted in computing the creditable service to be granted for such military service.

Effective December 12, 1994, and notwithstanding any provision of this Plan to the contrary, contributions, benefits, and service credit with respect to military service will be provided in accordance with IRC Section 414(u).

- (f) Unused sick leave accumulated at the time of a member's retirement shall be included in creditable service for the purpose of computing the amount of his/her retirement allowance, but not to establish eligibility for retirement.
- (g) Absence from work time due solely to inability of a member to work by reason of a compensable industrial accident shall not be considered a break in service.

#### 4. "Disability Retirement Allowance"

- (a) Any member in service who has not reached his/her normal retirement date and who files application for retirement, shall be retired by the Retirement Board on a disability retirement allowance as of the first day of the calendar month next following receipt by the Retirement Board of written application therefore made by the member or by the Authority; provided that a physician or physicians designated by the Retirement Board shall certify, and the Retirement Board shall find, that such member is incapacitated, mentally or physically, to perform the work of his/her job classification or any other suitable job classification(s) in which a job is available with the Authority and has been offered to such member by the Authority, and that such member should be retired. Such other suitable job classification shall have a base rate of pay at least equal to the base rate of pay of the member on his/her date of disability. The Authority will use every reasonable effort to place the employee within the Police Department before considering work elsewhere within the Authority.

The member shall be entitled to the disability retirement allowance upon the expiration of any Authority provided short-term disability benefits (excluding Worker's Compensation). If the disability is due to non-occupational causes, the disability retirement allowance shall be payable only if the member had completed 8 years of Creditable Service. No employee shall be entitled to receive a disability allowance if the disability results from:

- (A) Habitual and excessive use of intoxicants, drugs, or narcotics;
- (B) Injuries or diseases sustained while under the influence of intoxicants, drugs or narcotics habitually used to excess;
- (C) Injuries or diseases sustained while willfully and illegally participating in fights, riots, civil insurrections outside the scope of employment or committing a crime;

- (D) Injuries or diseases sustained while serving in the Armed Forces or the Merchant Marine of the United States or her allies;
  - (E) Injuries or diseases incurred while working for another employer (excluding paid details) and arising out of such other employment while also employed by the Authority;
  - (F) Injuries or diseases sustained while riding in aircraft, except as a fare-paying passenger on regularly licensed and scheduled airlines;
  - (G) Injuries or diseases sustained while the employee is on leave of absence for any reason other than (i) holding office in the Association, or (ii) sickness or accident; provided, however, that an employee while on leave of absence for the reasons listed under (i) and (ii) shall not be eligible to receive benefits if the injuries or diseases so sustained fall within subparagraphs (A) to (F) above.
- (b) The disability retirement allowance shall become effective immediately upon retirement as provided in the foregoing Section (2)(a) of Article IV and shall be computed as follows:
- (i) The monthly benefit payable prior to the member's Earliest Unreduced Early Normal Retirement Date shall equal 55% of the member's current Compensation less 55% of his/her Primary Social Security Disability Benefit. For the purposes of this paragraph only, Compensation shall mean one twelfth of (a)+(b)+(c)+(d)+(e) plus one day's holiday pay:
    - (A) current annual base pay
    - (B) current annual longevity
    - (C) current annual education allowance
    - (D) actual night shift differential over the last 12 months
    - (E) current firing range stipend
  - (ii) The disability benefit of a member who retired on a disability retirement allowance prior to his/her Earliest Unreduced Early Normal Retirement Date will be converted on such date to:

If disability due to occupational causes:

A monthly income based on the regular retirement formula in effect on his/her date of disability using Average Monthly Compensation as of the date of disability. Creditable Service for this calculation will include the



period while receiving disability benefits before this benefit conversion date. The disabled member will be entitled to the Supplemental Benefit as well. The Supplemental Benefit shall be computed according to the benefit level in effect on the date of disability.

If disability due to non-occupational causes:

A monthly income equal to the member's accrued benefit on the date of disability, but not less than \$225 per month.

- (iii) A member disabled after attaining his/her Earliest Unreduced Early Normal Retirement Date will be entitled to a disability benefit equal to his/her Early Normal Retirement Benefit, including the Supplemental Benefit.
- (c) A member disabled for occupational causes who accepts other job classification employment with the Authority shall receive a pension at retirement, which, in combination with pension benefits from any other pension to which the Authority contributes, will not be less than a pension calculated as if he/she remained in his/her former position, and received the salary increases uniformly applicable to his/her former position. In order to be eligible for this special minimum benefit, the member must always participate in the retirement program to which the Authority contributes, applicable to the other job classification.
- (d) Once each year the Retirement Board may require any retired member receiving a disability retirement allowance who has not reached his/her normal retirement date to undergo a medical examination by a physician or physicians designated by the Retirement Board, such examination to be made at the place of residence of such retired member or other place mutually agreed upon. Should any such retired member refuse to submit to such medical examination, his/her disability retirement allowance shall be discontinued by the Retirement Board until his/her withdrawal of such refusal, and should his/her refusal continue for a year, all his/her right in and to such disability retirement allowance shall cease. If it appears from such medical examination that the disability of a retired member who has not reached his/her normal retirement date has been removed or if the Retirement Board shall find that he/she has regained his/her earning capacity, his/her disability retirement allowance shall be discontinued by the Retirement Board, or if such disability has been partly removed and his/her earning capacity partly regained, such disability retirement allowance shall be reduced proportionately by the Retirement Board. No discontinuance or reduction shall be made unless the Authority shall offer to restore the retired member with accumulated seniority to his/her former position or, in the case of partial recovery, to a suitable other position the duties of which he/she may be able to perform. If a disability retirement allowance is discontinued or reduced and if the retired member again loses his/her earning capacity because of the same disability, he/she shall be entitled to apply to the Retirement Board to have his/her original disability retirement allowance restored, and the Retirement

Board may restore all or part thereof on the basis of a medical examination by a physician or physicians designated by the Retirement Board. Any retired member whose allowance has been discontinued and who has not accepted restoration to service may withdraw from the Plan and receive the amount of his/her contributions, with interest as defined in Article IV, section 8(e), less the sum of all retirement allowance payments previously made to him/her and no further payments to him/her or on his/her account shall be made.

5. "Normal Retirement Allowance"

- (a) Any member in service, who reaches his/her normal retirement date, shall be retired by the Retirement Board on a normal retirement allowance to become effective on his/her normal retirement date. Effective January 1, 1997, and notwithstanding any provision of the Plan to the contrary, payment of a member's Retirement Allowance shall commence no later than the April 1 of the calendar year following the calendar year in which the Member attains age 70½ or retires, if later. In addition, all distributions from the Plan shall conform to the regulations issued under Section 401(a)(9) of the Internal Revenue Code. Further, such regulations shall override any provision of the Plan that is inconsistent with Section 401(a)(9) of the Internal Revenue Code.
- (b) Effective July 1, 1997, a membership service allowance equal to 2.36% of the average compensation in those three (3) years in which the employee had maximum compensation, multiplied by the number of years of membership service, provided, however, that such allowance shall not exceed seventy-three percent (73%) of such compensation. The minimum normal retirement allowance for a member who has completed at least 10 years of Creditable Service shall be \$100 per month, and for any member who has completed at least 15 years of Creditable Service shall be \$150 per month.
- (c) Any member in service, who has not reached his/her Normal Retirement Date, but who has reached an Early Normal Retirement Date or a Reduced Early Retirement Date, may be retired by the Retirement Board on such Early Normal Retirement Date or Reduced Early Retirement Date.

The retirement allowance for any member shall be equal to the member's accrued benefit, multiplied by the appropriate early retirement reduction factor from the chart below, interpolated to the nearest month of age:

### Early Retirement Reduction Factor

Age	Early Normal Retirement	Reduced Early Retirement
64	100%	98%
63	100%	96%
62	100%	94%
61	100%	92%
60	100%	90%
59	100%	88%
58	100%	86%
57	100%	84%
56	100%	82%
55	100%	80%
54	100%	76%
53	100%	72%
52	100%	68%
51	Not Available	64%
50	Not Available	60%

- (d) Any member in service who retires on an Early Normal Retirement Date shall also be entitled to a Supplemental Benefit if such member retires from active service at or after age fifty-two (52) with at least twenty-three (23) years of service<sup>11</sup>. Such Supplemental Benefit shall be payable from the date of retirement through the month the member attains age 62.

The amount of the Supplemental Benefit shall be equal to (i) less (ii) (but not less than zero).

- (i) \$500 per month payable from retirement to age 57; then \$700 per month payable beginning the month the member attains age 57;
- (ii) 64% of any Primary Social Security Disability Benefits the member may in any month receive.